



DENISE MERRILL

SECRETARY OF THE STATE
CONNECTICUT

Judiciary Committee Public Hearing
March 9, 2011
HB 6274

Good morning, Chairman Coleman, Chairman Fox, and members of the committee.

My name is Denise Merrill, and I am the Secretary of the State of Connecticut.

Thank you for the opportunity to testify before you this morning.

I am here today to support Raised Bill 6274, "An Act Concerning Amendments to Article 9 of the Uniform Commercial Code Concerning Secured Transactions."

As you may know, the Commercial Recording Division in the Office of the Secretary of the State is the main filing office for liens and secured transaction records under Revised Article 9 of the Uniform Commercial Code.

Last fall the co-chairs of the Law Revision Commission Advisory Committee, Neal Ossen and Thomas Welsh, invited the Director and a Staff Attorney from the Commercial Recording Division to sit on the Advisory Committee that adopted the amendments urged by this bill.

I appreciate the committee's commitment to gathering the perspective of the filing office in the drafting phase rather than as an afterthought.

With input from the outset, my office is happy to support Raised Bill 6274.

While drafting, the Advisory Committee was called upon to select from among two alternatives for debtor party name conventions under the new amendments.

Alternative A would have required debtor party names to match the names of individuals as listed on their state issued Drivers' Licenses or ID cards.

Alternative B allows the debtor party names to match the Drivers' License as one criterion, yet does not limit the naming standard to an exact match with that singular form of ID.

This foundational choice was of paramount importance to the filing office.

Our Commercial Recording Division Director and Staff Attorney had influential input into the selection of Alternative B for our state, which renders the Drivers' License only one form of acceptable name identification, rather than making it the sole form.

Page 2
HB 6274 Continued
Denise Merrill, Secretary of the State

Alternative B will work better for Connecticut for many reasons. The chief reason is that the state's DMV database and UCC database are not linked and it would be prohibitively expensive to cross-reference them at this time.

Moreover, any time either the DMV or the CRD were to change its system, such a change could require an expensive corresponding technical enhancement at the other agency.

Significantly, the DMV currently is in the midst of a Drivers' License program automation overhaul that may take several years to complete, so trying to match names would also prove to be a moving target.

Finally, research into Drivers' License name conventions at the Connecticut DMV and in other states revealed that the history of naming conventions is fraught with hyper technicality, flux and many errors.

Therefore, while it still makes sense to allow the Driver's License to serve as AN indicator of a debtor's name, it makes NO sense whatsoever to allow the license name to serve as the only form of a name acceptable for filing purposes.

Hence, we chose Alternative B and feel confident that many other states will, as well, when weighing the two alternatives.

The amendments to Revised Article 9 were developed and vetted nationally by a joint committee of the American Law Institute and the Uniform Law Commissioners.

The Connecticut Advisory Committee adopted the amendments in the form submitted as Raised Bill 6274 and I respectfully submit my approval of and support for this bill.

Thank you, and I would be happy to answer any questions you might have.